

AMENDED IN ASSEMBLY AUGUST 25, 2005

AMENDED IN SENATE MAY 23, 2005

AMENDED IN SENATE APRIL 25, 2005

AMENDED IN SENATE MARCH 31, 2005

SENATE BILL

No. 314

Introduced by Senator Romero

February 16, 2005

An act to amend ~~Section~~ *Sections 10201 and 10214.5* of the Unemployment Insurance Code, relating to employment training.

LEGISLATIVE COUNSEL'S DIGEST

SB 314, as amended, Romero. Job training.

Under existing law, the Employment Training Panel has specified duties, including the duty to make contracts for training in job-related vocational skills, as specified. Existing law permits the panel, subject to certain requirements, to allocate a specified percentage of annual training funds for the purpose of funding special employment training projects to improve the skills of frontline workers, as defined.

This bill would authorize the panel to allocate funds for training in job-related vocational skills to increase the productivity and extended retention of workers in the state's major seasonal industries, as defined, and would authorize the panel to waive certain requirements contained in existing law under specified conditions, *including those requirements that apply to employer eligibility*.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 10201 of the Unemployment Insurance*
2 *Code is amended to read:*

3 10201. As used in this chapter:

4 (a) “Department” means the Employment Development
5 Department.

6 (b) (1) “Employer” or “eligible employer” means any
7 employer subject to Part 1 (commencing with Section 100) of
8 Division 1, except any public entity, or any nonprofit
9 organization which has elected an alternate method of financing
10 its liability for unemployment insurance compensation benefits
11 pursuant to Article 5 (commencing with Section 801), or Article
12 6 (commencing with Section 821) of Chapter 3.

13 ~~Any~~

14 (2) *If an employer is exempt, pursuant to Section 976.8, from*
15 *making contributions to the fund at the time of the eligibility*
16 *determination, the employer shall be deemed an ineligible*
17 *employer unless the panel determines, on a case-by-case basis,*
18 *that the employer has made regular contributions to the fund*
19 *during the previous five calendar years.*

20 (3) *Any public entity or nonprofit organization that has elected*
21 *an alternate method of financing its liability for unemployment*
22 *insurance compensation benefits pursuant to Article 5*
23 *(commencing with Section 801), or Article 6 (commencing with*
24 *Section 821) of Chapter 3, shall be deemed to be an employer*
25 *only for purposes of placement of new hire trainees who received*
26 *training as an incidental part of a training project designed to*
27 *meet the needs of one or more private sector employers.*

28 (c) “Eligible participant” means any person who, prior to
29 beginning training or employment pursuant to this chapter, is any
30 of the following:

31 (1) Unemployed and has established an unemployment
32 insurance claim in this state, or has exhausted eligibility for
33 unemployment insurance benefits from this state within the
34 previous 24 months.

35 (2) Employed for a minimum of 90 days by his or her
36 employer, or if employed for less than 90 days, met the
37 conditions of paragraph (1) at the time of hire, had received a
38 notice of layoff from the prior employer, or was employed by an

1 employer for a period of not less than 90 days during the 180-day
2 period prior to the employee's current employment.

3 (d) "Executive director" means the executive director
4 appointed pursuant to Section 10202.

5 (e) "Fund" means the Employment Training Fund created by
6 Section 1610.

7 (f) "Job" means employment on a basis customarily
8 considered full time for the occupation and industry. The
9 employment shall have definite career potential and a substantial
10 likelihood of providing long-term job security. Furthermore, the
11 employment shall provide earnings, upon completion of the
12 employment requirement specified in subdivision (f) of Section
13 10209, equal to 50 percent, in the case of new hire training, or 60
14 percent, in the case of retraining, of the state or regional average
15 hourly wage. However, in no case shall the employment result in
16 earnings of less than 45 percent of the state average hourly wage
17 for new hire training and 55 percent of the state average hourly
18 wage for retraining. The panel may consider the dollar value of
19 health benefits that are voluntarily paid for by an employer when
20 computing earnings to meet the minimum wage requirements.

21 (g) "New hire training" means employment training, including
22 job-related literacy training, for persons who, at the start of
23 training, are unemployed.

24 (h) "Panel" means the Employment Training Panel created by
25 Section 10202.

26 (i) "Retraining" means employment related skill and literacy
27 training for persons who are employed and who meet the
28 definition of paragraph (2) of subdivision (c) prior to
29 commencement of training and will continue to be employed by
30 the same employer for at least 90 days following completion of
31 training.

32 (j) "State average hourly wage" means the average weekly
33 wage paid by employers to employees covered by unemployment
34 insurance, as reported to the Employment Development
35 Department for the four calendar quarters ending June 30 of the
36 preceding calendar year, divided by 40 hours.

37 (k) "Trainee" means an eligible participant.

38 (l) "Training agency" means any private training entity or
39 local educational agency.

1 ~~SECTION 1.~~

2 ~~SEC. 2.~~ Section 10214.5 of the Unemployment Insurance
3 Code is amended to read:

4 10214.5. (a) The panel may allocate up to 10 percent of the
5 annually available training funds for the purpose of funding
6 special employment training projects that improve the skills and
7 employment security of frontline workers, as defined in
8 subdivision (a) of Section 10200. Notwithstanding any other
9 provision of this chapter, participants in these projects are not
10 required to meet the eligibility criteria set forth in paragraph (1)
11 of subdivision (a) of Section 10200 or subdivision (c) of Section
12 10201.

13 (b) The panel shall, on an annual basis, identify industries and
14 occupations that shall be priorities for funding under this section.
15 Training shall be targeted to frontline workers who earn at least
16 the state average weekly wage.

17 (c) The panel may waive the minimum wage provisions
18 pursuant to subdivision (f) of Section 10201 for projects in
19 regions of the state where the unemployment rate is significantly
20 higher than the state average, and may waive the employment
21 retentions provisions specified in subdivision (f) of Section
22 10209 and instead require that the trainee has been retained in
23 employment for a minimum of 90 days out of 120 consecutive
24 days after the end of training with no more than three employers.

25 (d) (1) The panel may allocate funds pursuant to subdivision
26 (a) to increase the productivity and extended employment
27 retention of workers in the state's major seasonal industries.

28 (2) In funding special employment training projects for this
29 purpose, the panel may do all of the following:

30 (A) When the amount of the postretention wages of each
31 trainee who has completed training exceeds the amount of wages
32 that the trainee earned before and during training, waive the
33 minimum wage requirements set forth in subdivision (f) of
34 Section 10201.

35 (B) Waive the employment retention requirements set forth in
36 subdivision (f) of Section 10209 and instead require that the
37 trainee be retained in employment for not less than 500 hours
38 within the 12-month period following the completion of the
39 training.

1 (C) When the panel finds that the training is necessary to
2 achieve the objectives of vocational training, waive the limitation
3 on job-related basic and literacy skills training set forth in
4 subdivision (a) of Section 10209.

5 (3) For purposes of this section, “major seasonal industries”
6 means employers who satisfy all of the following requirements:

7 (A) Have a workforce comprised of at least 50 percent of
8 workers whose employment period is necessarily cyclical,
9 including, but not limited to, businesses directly involved in the
10 harvesting, packing, or processing of goods or products.

11 (B) Have retained at least 50 percent of the same seasonal
12 employees for at least one season of not less than 500 hours for
13 the preceding 12-month period.

14 (C) Pay wages and provide benefits that exceed industry
15 averages.

16 (e) The panel shall adopt minimum standards for consideration
17 of proposals to be funded pursuant to this section.

18 (f) The panel may select contracts funded under this section
19 based on competitive bidding.

20 (g) It is the intent of the Legislature in providing the authority
21 for these projects that the panel allocate these funds in a manner
22 consistent with the objectives of this chapter as provided in
23 Section 10200.